International Seabed Authority ISBA/18/FC/2

Finance Committee

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Financial implications of subscribing to the statute of the International Civil Service Commission

Report of the Secretary-General

1. At its last meeting, in 2011, the Finance Committee requested the Secretary-General to provide it with a report detailing the costs and benefits of the International Seabed Authority participating in the work of the International Civil Service Commission (ICSC). The present report responds to that request by providing the Committee with a review of the status of the Authority within the United Nations common system, and a summary of the costs and benefits of subscribing to the statute of ICSC. For the reasons set out in the report, it is recommended that the Authority subscribe to the statute of ICSC and that provision for this purpose be made in the context of the budget for the financial period 2013-2014.

2. The context in which this request was made is that, at the last meeting of the Committee, in 2011, the Committee was informed that it had recently come to light that the Authority was not considered by ICSC to be a participant in the common system since it did not subscribe to the statute of ICSC, even though the Authority had taken all the other steps necessary to participate in the common system and was eligible to subscribe to the statute of ICSC.

3. The consequence of the position taken by ICSC has certain negative implications for the Authority, and for the staff, in that the Authority is unable to contribute to the process of establishing some of the basic conditions of service for staff, such as post adjustment and cost-of-living allowances, and is also unable effectively to avail itself of the benefits of the Inter-Organization Agreement and related staff mobility and career enhancement mechanisms, as well as the services of the Joint Inspection Unit. Essentially, although the legal position remains rather obscure, the practical position is that unless the Authority subscribes to the statute of ICSC, it will have no voice in forming the policies of the common system despite the fact that it has committed itself to applying those policies.

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I. Status of the Authority

4. Since its establishment in 1996, the Authority has taken all the steps necessary to participate in the common system, with the exception of subscribing to the statute of ICSC. This is in keeping with the stated policy of States parties that the Authority should apply the common standards of the United Nations.

5. The Authority was established by the United Nations Convention on the Law of the Sea. It is neither a specialized agency of the United Nations nor an organization having a status similar to that of a specialized agency, such as the International Atomic Energy Agency (IAEA), but it is an autonomous international organization (see General Assembly resolutions 49/28 of 6 December 1994 and 50/23 of 5 December 1995). In recognition of this status, at its resumed second session, in 1996, the Assembly of the Authority decided that the Authority should seek observer status at the United Nations and also requested the Secretary-General to negotiate with the Secretary-General of the United Nations a relationship agreement between the Authority and the United Nations (see ISBA/A/13 and Corr.1). A parallel request was made by the General Assembly the same year (resolution 51/34).

6. The Authority was granted observer status in the General Assembly on 24 October 1996 (resolution 51/6). A relationship agreement with the United Nations was concluded in 1997 and was signed by the Secretary-General of the United Nations and the Secretary-General of the Authority on 14 March 1997 in New York, being applied provisionally upon signature pending its approval by the General Assembly of the United Nations and the Assembly of the Authority. The Agreement concerning the Relationship between the United Nations and the International Seabed Authority was approved by the Assembly of the Authority at its 45th meeting, on 27 March 1997. The Agreement was approved by the General Assembly of the United Nations on 26 November 1997 and entered into force on that date (resolution 52/27).

7. Under the terms of that Agreement (article 11),

> "The United Nations and the Authority agree to apply, in the interests of uniform standards of international employment, and to the extent feasible, common personnel standards, methods and arrangements designed to avoid unjustified differences in terms and conditions of employment and to facilitate interchange of personnel in order to obtain the maximum benefit from their services."

The language of this clause is similar to the language used in relationship agreements between the United Nations and other organizations which are considered part of the common system, such as the Universal Postal Union, the World Intellectual Property Organization and the United Nations Industrial Development Organization, and which are referenced in the annex to the ICSC Statute and Rules of Procedure (ICSC/1/Rev.1).

8. It was understood from the outset that, while the Authority would be an autonomous international organization, it would apply to its staff the common system of salaries, allowances and other conditions of service of the United Nations and its specialized agencies. Thus, at its 39th meeting, on 29 August 1996, the Assembly recognized that, pending the approval of its own financial and staff

regulations, the Authority should apply the Financial Regulations and Staff Regulations of the United Nations. At the same time, the Assembly requested the Secretary-General to take the necessary steps to apply for membership in the United Nations Joint Staff Pension Fund and to conclude with the Secretary of the Board of the Fund an agreement regarding the participation of the Authority in the Fund, as required by article 3, paragraph (c), of the Regulations of the United Nations Joint Staff Pension Fund.

9. In accordance with the Assembly's request, the necessary steps were taken to apply for membership in the United Nations Joint Staff Pension Fund early in 1997, and an agreement to that effect was executed in accordance with the Regulations of the Fund on 18 June 1998. On the same date, the Authority and the United Nations also executed a special agreement extending the jurisdiction of the Administrative Tribunal of the United Nations to the Authority with respect to applications by staff members of the Authority alleging non-observance of the Regulations of the Fund. That completed the administrative steps necessary to enable the Authority to become a member of the Fund.

10. The Staff Regulations of the International Seabed Authority were approved by the Assembly of the Authority at its 79th meeting, on 10 July 2001, and are fully consistent with the Staff Regulations of the United Nations. In November 2001, in accordance with the Staff Regulations, the Secretary-General promulgated the Staff Rules, which have been subsequently amended and repromulgated from time to time. Furthermore, as foreseen in the relationship agreement between the Authority and the United Nations, regulation 11.2 of the Staff Regulations of the Authority provides that the United Nations Administrative Tribunal (now the United Nations Appeals Tribunal) shall, under conditions prescribed in its statute, hear and pass judgment upon applications from staff members of the Authority alleging non-observance of their terms of appointment, including all pertinent regulations and rules.

11. In 2000, again as envisaged in the relationship agreement between the Authority and the United Nations, the Authority applied for admission to the Inter-Organization Agreement concerning Transfer, Secondment or Loan of Staff among the Organizations applying the United Nations Common System of Salaries and Allowances. The Authority became a party to the Inter-Organization Agreement on 26 February 2001.

II. International Civil Service Commission

12. ICSC exists for the primary purpose of regulating and coordinating the conditions of service of the United Nations common system. The statute of ICSC, which the General Assembly approved by its resolution 3357 (XXIX) of 18 December 1974, states in article 1, paragraph 2:

> "The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ..."

13. According to ICSC, the term "common system" is shorthand for the United Nations common system of salaries, allowances and other conditions of service. The

common system was intended to prevent competition among the organizations in staff recruitment and to facilitate exchange of staff. Its origin can be traced to the relationship agreements concluded between the United Nations and the specialized agencies. While the wording of those agreements varies, most of them carry language to the effect that it is agreed to develop common personnel standards, methods and arrangements designed to avoid serious discrepancies in terms and conditions of employment, to avoid competition in recruitment of personnel and to facilitate the interchange of personnel.

14. There is no formal status of "membership" in ICSC; rather, those organizations which have committed to apply the common system participate in and contribute to the work of the Commission by subscribing in writing to its statute and by making a financial contribution to ICSC and related bodies, which include the secretariat of the United Nations System Chief Executives Board for Coordination (CEB) and the Joint Inspection Unit. Those costs are prorated between participating organizations. Provision also needs to be made for participation in ICSC meetings, training programmes and working groups.

15. A further important aspect of participation in the work of ICSC is also access to security management services, coordinated through the Department of Safety and Security of the Secretariat. The Authority would be entitled to avail itself of the following services, which it does not currently benefit from owing to its uncertain status within the common system: crisis management arrangements; participation in the security management team (which provides inputs for determination of the category of the duty station and mobility and hardship benefits), consideration in relocation/evacuation arrangements, participation in the emergency communications system, medical evacuation, security training and information.

16. The estimated cost of the Authority's participation for the financial period 2013-2014 is shown in the annex to the present document.

III. Recommendations

17. The Finance Committee is invited to take note of the position with respect to the participation of the Authority in the United Nations common system. The Committee is invited to:

(a) Recommend that the Council and Assembly request the Secretary-General to take the necessary steps on behalf of the Authority to subscribe to the statute of ICSC with effect from 2013;

(b) Include provision for the costs of participation in the work of ICSC in the budget for the financial period 2013-2014, based on the estimated costs set out in the annex to the present document.

Annex

International Seabed Authority contribution, 2013-2014

(Thousands of United States dollars)

Body	*Description of United Nations bodies*	*Contribution calculation method*	*Budget 2013*	*Budget 2014*	*Budget total*
ICSC	Its mandate is to regulate and coordinate the conditions of service of staff in the United Nations common system	0.1% of total amount to be shared by United Nations organizations	9.0	9.0	18.0
Joint Inspection Unit	The only independent external oversight body of the United Nations system mandated to conduct evaluations, inspections and investigations system-wide	0.1% of total amount to be shared by United Nations organizations	7.0	7.0	14.0
CEB secretariat	The United Nations System Chief Executives Board for Coordination (CEB) is responsible for keeping up to date on the current political issues and concerns that face the United Nations. Additionally, it approves policy statements on behalf of the system when the reporting bodies make recommendations that it do so	0.1% of total amount to be shared by United Nations organizations	3.0	3.0	6.0
United Nations security management	The Department of Safety and Security is responsible for providing leadership, operational support and oversight of the security management system, ensuring maximum security for staff and eligible dependants, as well as enabling the safest and most efficient conduct of the programmes and activities of the United Nations	Minimum contribution = US$ 75,000	37.5	37.5	75.0
UN Cares Programme	The United Nations system-wide workplace programme on HIV for the benefit of United Nations personnel and their families	Proportion of International Seabed Authority (ISA) staff in relation to all United Nations organizations	1.0	1.0	2.0
United Nations Dual Career and Staff Mobility	Dual Career and Staff Mobility is a programme supported by the United Nations system and partnering organizations. The aim is to assist globally mobile families to adapt to new duty stations and to help expatriate spouses/partners find jobs and maintain their professional careers	Proportion of ISA Professional staff in relation to all United Nations organizations	0.5	0.5	1.0

Body	*Description of United Nations bodies*	*Contribution calculation method*	*Budget 2013*	*Budget 2014*	*Budget total*
Travel associated with United Nations projects		ISA assumption	60.0	60.0	120.0
IPSAS adoption share	International Public Sector Accounting Standards (IPSAS) task force	Proportion of ISA staff in relation to all United Nations organizations	0.5	0.5	1.0
			118.5	**118.5**	**237.0**